

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF SCIENCE AND TECHNOLOGY POLICY
WASHINGTON, D.C. 20502

DOCKET FILE COPY ORIGINAL

July 10, 1996

The Honorable Reed E. Hundt
Chairman, Federal Communications Commission
1919 M Street, N.W.
Washington, D.C. 20554

Dear Chairman Hundt:

This letter conveys comments regarding the Fifth Further Notice of Proposed Rule Making (May 20, 1996, MM Docket No. 87-268) which addresses Advanced Television Systems and their impact upon the existing television broadcast services.

The Commission is to be commended for its decade long effort to foster the development of Advanced Television Systems (ATS) in the United States. ATS will provide American consumers with state-of-the-art digital and interactive broadcast television services and could enable the United States to re-emerge as the dominant player in worldwide video electronics technology and manufacturing.

There is an ever-diminishing "window of opportunity" for the U.S. to define a worldwide standard. Having leapfrogged the rest of the world in the early nineties in the race to deploy advanced television systems, America is on the brink of relinquishing its lead to international competitors, especially the British who already have adopted a digital television standard which has received the support of twenty-two countries.

The release of the fifth FNPRM is a useful step toward adoption of a digital television (DTV) transmission standard. I am writing to urge you and the other commissioners to move quickly, once the public comment period is over, to adopt the proposed ATSC DTV standard.

The ATSC DTV standard has accomplished nearly everything the Advisory Committee on Advanced Television Services (ACATS) set out to achieve, including exceptional improvements in picture and sound quality, exceedingly efficient use of spectrum, flexibility of use for video and data transmissions, interconnectivity with computers, and the ability to be further modified without wholesale obsolescence. Several groups, including the Computer Systems Policy Project (CSPP), the Information Technology Industry Council, the National Institute of Standards & Technology, and the Information Infrastructure Task Force have all conveyed their endorsement of the ATSC DTV standard. We are sympathetic to the CSPP recommendation that as HDTV evolves, an implementation plan to ensure the transition from interlace to progressive scan should be developed. Progressive scan and square pixels, both of

RECEIVED
JUL 10 5 15 PM '96
FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554

which are fully supported by the ATSC DTV standard, appear to be the technology for the future of Advanced Television Systems in the United States. After adopting the ATSC DTV Standard, the Commission may wish to consider charging the ATSC to pursue a rapid migration path to full 1000-line progressive scan.

Aside from the unquestioningly strong merits of the ATSC DTV standard, the adoption of a DTV standard ultimately will decide the success -- or failure -- of America's experiment in digital television. Without the certainty attached to the adoption of a single transmission standard, investment at every level of DTV technology will be insufficient to create a mass market for advanced digital television service in the U.S. It is the key that breaks what to date has proven to be a cycle of trepidation by investors all the way from Wall Street, to corporate boards, to family decisions made around the kitchen table. A single transmission standard would ignite investment in digital television technology by providing certainty to:

Wall Street, who must feel confident that a sufficient market exists before investing heavily in digital television technology;

broadcasters, who must have millions to re-equip their production and transmission facilities and who will not do so before they are confident that one national, extensively tested transmission standard will avoid technical problems and satisfy viewers;

manufacturers, who must invest millions in product development and plant construction and /or retooling. Manufacturers will decline to make such investment if they are not confident that they are designing to a standard they understand and which will guarantee a national purchasing base; and

American consumers, who initially will have to pay an additional premium for a digital television set. Absent a sufficient amount of digitally broadcast programming and a steady decline in the cost of sets, an adequate number of consumers will not be able -- or willing -- to invest in digital sets. Moreover, consumers would balk at the notion of purchasing such a set if it is potentially unusable should they move to a different location, one important potential consequence of not adopting a single national standard.

We recognize that some argue that the adoption of a single digital television standard would freeze the current state of technology. That is simply wrong. The ATSC DTV standard is sufficiently flexible that it can accommodate new developments in either interlace or progressive scan display formats. The FCC process always is open to review new alternative standards. In point of fact, a technological freeze will be occasioned only upon the *failure* to adopt a standard. The lesson of AM stereo should be clear to all of us: failure to adopt broadcast standards leads to failure to develop new broadcast services. American consumers and workers suffer.

The FCC's consideration of whether or not to adopt the ATSC DTV standard - or any single standard - comes at a particularly critical juncture. Right now, the United Kingdom is beginning its own rollout of a competing Digital Video Broadcast (DVB) system. Already,

consumer electronics companies around the world, including many of those who have invested millions of dollars in the development of the Grand Alliance standard, now must decide whether to abandon their investment in the U.S. technology in order that they may follow what they see as the progressing technological leadership in Europe. There is a well known maxim of the international technology, international capital and R&D investment, technical and creative talent, new manufacturing, plant siting, and resulting job growth all flow to the country that grabs the early technological lead.

If the United States selects a digital television standard now, particularly one as scientifically advanced, strongly endorsed and well-tested as the ATSC DTV standard, the world marketplace will be looking to America -- not only for digital HDTV technology and expertise, but also for HDTV's many supporting industries (including content distribution -- one of America's strongest exports). However, if the U.K. or any other country is allowed to capitalize on the window of opportunity created by any further delay in the FCC's adoption of a digital television standard, all the global economic benefits that now are within our grasp will be quickly drawn away by foreign competitors.

The fate of digital television and all its attendant benefits for American consumers and the U.S. economy teeter on the Commission's decision whether or not to adopt the ATSC DTV standard for digital television transmission. I urge the Commission to act quickly to adopt the ATSC DTV standard, creating the certainty needed to secure America's global position as the leader in digital video technology and manufacturing.

If you have any questions on these comments, please feel free to contact me at (202) 456-6033.

Sincerely,

A handwritten signature in dark ink, appearing to read "Lionel S. Johns", with a stylized, flowing script.

Lionel S. Johns
Associate Director for Technology